



### NEW MEDICAL SUBSIDY RATES

Effective 7/1/02 - 6/30/03

1 Person.....	\$255.60
2 Person.....	\$511.20
1 Person Medicare Supplement.....	\$161.19
2 Person Medicare Supplement.....	\$322.38

### UPCOMING MEMBER INFORMATION SESSIONS

NHRS is sponsoring regional workshops to offer NHRS members information about their benefits – please help us get the word out to your employees.

- Laconia High School, June 27
- Berlin Community Technical College, Sept. 19

Each location is comprised of two sessions. The first is at 3:30 - 5:00 PM for Group II: Police/Correctional Officers and Firefighters who work for cities, towns and counties. The second is at 5:30-7:00pm for Group I: Employees and Teachers who work for cities, towns, counties and school districts.

Members who would like to attend the sessions should contact Theresa Savoy at: [tsavoy@nhrs.state.nh.us](mailto:tsavoy@nhrs.state.nh.us), or call 271-3351 x272 or toll-free 877-917-6477 x 272.

**Note:** there are separate sessions for state employees. Check the website for dates and locations of these and other upcoming sessions. The schedule for the fall sessions will be posted shortly.

### DID YOU KNOW?

Your role is critical in helping your Employees Retire! Under Administrative Rule 305.02 (c), employers are required to send NHRS an “Employer’s Notice of Termination” within 30 days.

You have information critical to finalizing your former employee’s pension. The pension amount is based on the average of the three highest paid salary years, including all severance pay. The first pension check is a preliminary amount while we wait to receive reports from the employer, at which time it is subsequently adjusted.

Retirees have 120 days to decide on their survivorship options, which is the opportunity to take a lower pension in order to provide a survivorship pension to a beneficiary. For many, their decision is contingent upon knowing what their finalized benefit will be.

### NEW FEATURE

#### TROUBLESHOOTING SECTION

The Employer Bulletin Board now offers a section on common questions and administrative issues. If you have suggestions for items, please contact Theresa Savoy at [tsavoy@nhrs.state.nh.us](mailto:tsavoy@nhrs.state.nh.us).

**Topic 1:** What if your police chief wants to retire and work for you part-time, as your police chief?

**General rules:** Retirees who return to work full-time, in a NHRS covered position, will stop receiving their retirement benefits and must be re-enrolled in NHRS. NHRS retirees can return to work in a part-time capacity, and continue to receive NHRS benefits along with the salary from this position. Wages do not have to be reported to NHRS, unless the member retired on a disability.

**But,** if a Group II retiree will be working on a part-time basis, in a position that was formerly a full-time, NHRS covered position, you **must** take administrative action.

For example, if an employer asks a retired police chief to remain in the position he/she is retiring from, on a part-time basis, or if another employer asks the police chief to work in a part-time capacity in a job that was formerly full time, the employer must de-certify the position:

#### De-certification of a position

♦ If the position (police chief, fire chief, etc) was previously a full time position, the community must send notification **from the governing body** that it is no longer a full time Group II-eligible position.

♦ If the position the retiree occupies is one that remains certified as a Group II position, the retiree is subject to restoration of service. The pension will cease until the member retires again. *Citation: RSA100-A:1 VII (police) and VIII (fire)*

**Note:** Possible mandatory enrollment into Group I. If the political subdivision is a participating employer for Group I members, and the part-time police chief position regularly works 35 hours and has at least one other benefit (ie: medical, vacation/sick, or annual) received by full time employees, according to Administrative Rules Ret 302.05 Minimum Participation Standards, the occupant of the position must be enrolled in Group I.

### EMPLOYER MANUAL

The June 2002 edition of the Employer Manual will soon be available on the NHRS website. Hardcopies will also be available from the Public Information Office, by calling NHRS, at x272.



## Highlights

The most significant changes this year will allow NHRS to expand the options available to our members who want to purchase prior service credit. The provisions of HB 1302 and HB 1455 are reflective of a national trend in favor greater pension flexibility and portability. As of July 9, members interested in reinstating prior withdrawn service will be able to buy it back in partial amounts. Starting on November 9, members will be able to purchase prior service credit with trustee-to-trustee transfers from 457 or 403(b) plans.

## Summary of Legislation

### HB 1302 – Chapter 140

- ◆ Allows members to purchase prior withdrawn service in partial amounts. Previous law required them to buy all or nothing. Now they can buy back their prior service of six months or more. The calculation will take the ratio of the amount of time to be purchased to the full length of withdrawn service, adjusted for interest from the date of withdrawal to the date of payment. Effective 7/9/02
- ◆ Removes the five-year legislative review of investment practices, allowing the permanent application of the “Prudent Investor Rule” which requires that fiduciaries discharge their duties solely in the interests of NHRS participants and beneficiaries. According to RSA 100-A:15, in the management of System assets, “the system’s Board of Trustees shall exercise the judgment and care under circumstances then prevailing, which a person of prudence, discretion and intelligence, acting in a like capacity and familiar with such matters, would use in the conduct of a pension plan of like character and with like aims as the system, and by diversifying investments of the system so as to minimize the risk of large losses to the trust fund.”
- ◆ Abolishes the biennial Legislative Report.
- ◆ Corrects the implementation date of the state employee health insurance subsidy.

### HB 1373 – Chapter 80

- ◆ School districts may now elect to enroll certain paraprofessional and support position employees as members of NHRS. The eligible positions include aides and assistants who work in classrooms, libraries, health or special education programs, who have direct involvement with students and who meet the NHRS minimum participation standards for teachers. If your district plans to extend NHRS benefits to paraprofessional staff, please contact NHRS to find out about the election procedure. Effective 7/1/02

### HB 1455 – Chapter 146

- ◆ Allows NHRS members to purchase prior service credit with a trustee-to-trustee transfer from a 457 or 403(b) plan. Previous law required the use of after tax money, so a member wanting to use money from a 457 or 403(b) would have had to withdraw those funds and pay the tax penalties and then buy their service credit with the after tax money.
- ◆ Removes a restriction on the purchase of prior service credit for time worked for an employer prior to the employer joining NHRS, if the service was covered by another employer-sponsored plan. Members will be allowed to purchase that service credit, providing that the plan was a 457 or 403(b).
- ◆ Effective 11/9/02

### HB 1469 – Chapter 137

- ◆ Put a moratorium on the practice allowed by RSA 100-A:3, I (c) for unclassified and non-classified state employees to file to collect a pension while still in service, unless they were eligible prior to 5/9/02.
- ◆ Created a committee to study the practice. The committee, consisting of 3 House members and 3 Senators, shall be formed and hold its first meeting within 45 days after passage, and shall report back by 11/1/02.
- ◆ Absent other legislative action to extend it, RSA 100-A:3, I (c) will be repealed, effective 7/1/03. (Those who were already collecting would be grandfathered.)

### SB 115 – Chapter 2

- ◆ Special 5% COLA for Firefighters who retired on or before 7/1/94. Effective 3/1/02

### SB 309 – Chapter 128

- ◆ Extends for one year the medical subsidy for Group II members retiring on Accidental Disability, to cover those who become Group II members before 7/1/03. Effective 7/1/02

### SB 381 – Chapter 110

- ◆ Abolishes the 30-day window for enrollment of employees at the Pease Redevelopment Authority, who are optional members of the system, allowing them to enroll at any time. Effective 7/2/02

Study of Group II issues: The House Executive Departments and Administration Committee held over several bills dealing with Group II, as the basis of a study of Group II issues this summer. The issues to be examined include requests by various occupational categories to be in Group II. The committee will also study SB 332, which would have allowed the Medical Subsidy for minor children of firefighters retired on Accidental Disability. They are also looking into a loophole in the Medical Subsidy that excludes many members with Split Benefits. Current law requires members to have 20 years in Group I or 20 years in Group II, but makes no provision for a combined 20 years of service.